

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

STATE OF IOWA ex rel.
THOMAS J. MILLER,
ATTORNEY GENERAL OF IOWA

Plaintiff,

v.

SARBREET M. SINGH,
SANDEEP C. KAUR AND
3S VENTURE, LLC, D/B/A
SHOP N SAVE,

Defendants.

EQUITY _____

**PETITION AND REQUEST FOR
PERMANENT AND TEMPORARY
INJUNCTIONS**

COMES NOW the State of Iowa ex rel. Attorney General of Iowa, Thomas J. Miller, by Assistant Attorneys General Benjamin E. Bellus and Nathan Blake, pursuant to the provisions of Iowa Code § 714.16 (2013), commonly referred to as the Iowa Consumer Fraud Act, and for its claim against Defendants Sarbreet Singh, Sandeep Kaur and 3S Venture, LLC, states as follows:

PRELIMINARY STATEMENT

1. Designer drugs are synthetic versions of illegal substances created for recreational use and to evade legislation enacted to ban those illegal substances. The two most dominant types of designer drugs currently found in the mainstream market are synthetic cannabinoids¹ and synthetic cathinones² which are designed to have an effect on the human body similar to that created by illegal controlled substances such as marijuana, cocaine, methamphetamine, or MDMA (a/k/a "ecstasy"). These synthetic substances are marketed as legal alternatives to illegal controlled substances and are usually sold over the internet, in smoke and tobacco shops, in convenience stores and in novelty

¹ Cannabinoids are substances that are structurally related to tetrahydrocannabinol (THC) and/or that bind to cannabinoid receptors in animals.

² Cathinones are a substance found in the shrub *Catha edulis* (khat) which stimulate the body by inducing the release of dopamine.

shops. In an effort to avoid liability, the manufacturers often place written statements on the packaging attributing a non-drug use for the merchandise such as a "potpourri", "bath salts", "incense" or "metal polish". In a further effort to avoid liability, many of the packages bear statements such as "natural", "not FDA approved" and "not for human consumption" even though the substances are marketed and sold to consumers for the specific purpose of being used as a drug.

2. Consumers that purchase these synthetic substances ingest, inject or inhale the substances for mind altering purposes such as stimulation, sedation, hallucination or euphoria. These synthetic substances deliver many of the same mind altering effects that the consumers would receive from the organic versions of the drugs, although with more potency. Unfortunately, the synthetic versions of the drugs often cause severe adverse side effects beyond those found in their organic counterparts such as extreme anxiety, delusions, prolonged psychotic episodes, violence, suicidal thoughts, vomiting, dangerously increased heart rate, seizures and even death.

3. These synthetic substances have only become prevalent within the last three or four years but evidence of their use has increased rapidly across the United States as well as in Iowa. Law makers and law enforcement agencies are struggling to address this growing threat because, unlike with illegal organic substances, the manufacturers can skirt the existing laws by slightly altering the formulation of the synthetic substance every time federal or state laws are amended to designate a new formulation as an illegal controlled substance. For example, Congress passed the Synthetic Drug Abuse Prevention Act of 2012 which placed specific synthetic compounds commonly found in designer drugs under Schedule I of the Controlled Substances Act ("CSA"), and

the list of federally prohibited synthetic compounds has repeatedly been added to since then.³ Likewise, the Iowa legislature has repeatedly passed similar legislation amending Iowa Code § 124.204 while the Iowa Board of Pharmacy issued emergency rules designating specific synthetic substances as “imitation controlled substances” subject to Iowa Code Chapter 124A (Iowa Imitation Controlled Substances Act). After each change to the law, the manufacturers promptly altered the formulations of their designer drugs to replace the newly banned substances and then renewed delivery. Many of the manufacturers even used their new formulations as a marketing advantage when they boldly advertised their efforts to circumvent the law with advertising and packaging bearing such statements as, “It’s legal in 50 states”, “100% legal”, “This product has been certified by laboratory analysis and does not contain [lists specifically banned synthetic substances]”, and “This product does not contain [lists specifically banned synthetic substances]”. While synthetic cannabinoids and synthetic cathinones are presently the most common forms of synthetic substances sold as alternatives for illegal organic substances, newly developed synthetic substances are beginning to appear in the market which present an equal or greater risk to consumers.

4. Synthetic Cannabinoids. As mentioned above, synthetic cannabinoids are presently one of the two most common forms of designer drugs. They are marketed under names such as “K2”, “Spice” and “Herbal Incense” and they bear pharmacological properties similar to the THC found in marijuana. Like THC, they target the cannabinoid receptors in the body and brain but many versions have a more potent effect because they bind tighter to the receptors than THC. The synthetic cannabinoids have been found to often cause a much more severe reaction than THC and the

³ On April 12, 2013, the Deputy Administrator of the Drug Enforcement Agency issued a notice of intent to schedule the synthetic cannabinoids UR-144, XLR11 and AKB48 under Schedule I of the CSA. 78 Fed. Reg. 21,858 (2013). On July 9, 2013, the Iowa Pharmacy Board temporarily classified these same three substances as Schedule 1 controlled substances. Iowa Admin. Code 657-10.38(1)(2014). UR-144 and XLR11 were the two main synthetic substances repeatedly found in the merchandise seized from Defendants by the Des Moines Police.

negative physical effects of these substances can include vomiting, elevated blood pressure, kidney damage, seizures, non-responsiveness and a racing heart rate leading to a stroke or cardiac arrest. The use of these substances may also lead to an addiction. The psychological effects of these substances include agitation, anxiety, hallucinations, panic attacks, paranoia, psychotic episodes and suicidal tendencies. The merchandise is often manufactured by spraying the synthetic substances onto plant material that is spread out over the floor of a garage, basement or other flat surface. Most manufacturers do not employ any production standards in the manufacturing of their merchandise so dangerous amounts of the synthetic substance are often concentrated on one section of the plant material while other sections have little of the synthetic substance. This lack of quality control places consumers that unknowingly purchase high dosage merchandise at an even higher risk from these "hot spots" than would be found in a normal dosage.

5. Synthetic Cathinones. These synthetic substances are marketed under names such as "bath salts", "plant food" and "herbal incense". They are a synthetic form of cathinone which is a Schedule I controlled substance found naturally in the Khat plant. They stimulate the central nervous system and deliver an effect similar to that of cocaine, methamphetamine or MDMA.⁴ The negative physical effects of these substances include racing heart rate, extreme elevation of blood pressure, elevated body temperature, sleeplessness, headaches, loss of appetite, bruxism and erratic eye movements. Some forms of synthetic cathinones can also lead to intense cravings which lead to eating binges lasting for several days. The psychological effects of these substances include extreme agitation, anxiety, hallucinations, paranoia, self-mutilation, change in personality, depression, aggression, disturbed behavior, delusions, hostility, violent behavior and suicidal tendencies.

⁴ MDMA is the name for 3,4-methylenedioxy-N-methylamphetamine which is also known as "ecstasy", "molly" or "mandy" depending on the form in which it is provided.

PARTIES

6. Plaintiff is the State of Iowa, ex rel. Attorney General Thomas J. Miller, the duly elected Attorney General of Iowa. The Attorney General of Iowa is expressly authorized pursuant to Iowa Code § 714.16(7) to file a civil action against any person who has engaged in a practice declared to be unlawful under Iowa Code § 714.16.

7. Defendant 3S Venture, LLC ("3S Venture") is an Iowa corporation incorporated in the state of Iowa on December 13, 2012 for the purpose of selling petroleum products, groceries, tobacco, alcohol and other merchandise. At the times relevant to the transactions from which this suit arose, 3S Venture did business under the name "Shop N Save" and the place of business for 3S Venture was 4685 NW 2nd Street, Des Moines, Iowa.

8. Defendant Sarbpreet Singh is an owner, operator and managing agent of 3S Venture while doing business under the name "Shop N Save". At the time relevant to the transactions from which this suit arose, the place of business for Sarbpreet Singh was 4685 NW 2nd Street, Des Moines, Iowa.

9. Defendant Sarbpreet Singh formulated, directed, controlled, was a primary participant in, and had, or should have had, knowledge of the acts and practices of 3S Venture constituting the violations of Iowa law as alleged herein and, at all times relevant hereto, was an officer, director, owner, and/or agent of 3S Venture.

10. Defendant Sandeep Kaur is an owner, operator, president and managing agent of 3S Venture while doing business under the name "Shop N Save". At the time relevant to the transactions from which this suit arose, the place of business for Sandeep Kaur was 4685 NW 2nd Street, Des Moines, Iowa.

11. Defendant Sandeep Kaur formulated, directed, controlled, was a primary participant in, and had, or should have had, knowledge of the acts and practices of 3S Venture constituting the

violations of Iowa law as alleged herein and, at all times relevant hereto, was an officer, director, owner, and/or agent of 3S Venture.

VENUE

12. Venue is proper in Polk County, Iowa, because Defendants engaged in the activities that are the subject of this petition in Polk County, Iowa. Moreover, Defendants do business in Polk County and one or more victims of the practices in question reside in Polk County. Iowa Code § 714.16(10)(2013).

JURISDICTION

13. Iowa Code § 714.16(2)(a)(2013) of the Iowa Consumer Fraud Act ("Consumer Fraud Act") provides in pertinent part:

The act, use or employment by a person of an unfair practice, deception, fraud, false pretense, false promise, or misrepresentation, or the concealment, suppression or omission of a material fact with intent that others rely upon the concealment, suppression, or omission, in connection with the lease, sale, or advertisement of any merchandise or the solicitation of contributions for charitable purposes, whether or not a person has in fact been misled, deceived, or damaged, is an unlawful practice.

14. Iowa Code § 714.16(1) of the Consumer Fraud Act provides the following definitions:

- a. "Deception" means an act or practice which has the tendency or capacity to mislead a substantial number of consumers as to a material fact or facts. Iowa Code § 714.16(1)(f).
- b. "Merchandise" means any objects, wares, goods, commodities, intangibles, securities, bonds, debentures, stocks, real estate or services. Iowa Code § 714.16(1)(i).
- c. "Unfair practice" means an act or practice which causes substantial, unavoidable injury to consumers that is not outweighed by any consumer or competitive benefits which the practice produces. Iowa Code § 714.16(1)(n).

15. Iowa Code § 714.16(7) of the Consumer Fraud Act provides, in pertinent part:

Except in an action for the concealment, suppression, or omission of a material fact with intent that others rely upon it, it is not necessary in an action for reimbursement or an injunction, to allege or to prove reliance, damages, intent to deceive, or that the person who engaged in an unlawful act had knowledge of the falsity of the claim or ignorance of the truth.

16. In describing remedies under the Consumer Fraud Act, Iowa Code § 714.16(7) provides in pertinent part as follows:

If it appears to the attorney general that a person has engaged in, is engaging in, or is about to engage in a practice declared to be unlawful by this section, the attorney general may seek and obtain in an action in a district court a temporary restraining order, preliminary injunction, or permanent injunction prohibiting the person from continuing the practice or engaging in the practice or doing an act in furtherance of the practice. The court may make orders or judgments as necessary to prevent the use or employment by a person of any prohibited practices, or which are necessary to restore to any person in interest any moneys ... which have been acquired by means of a practice declared to be unlawful by this section ...

In addition to the remedies otherwise provided for in this subsection, the attorney general may request and the court may impose a civil penalty not to exceed forty thousand dollars per violation against a person found by the court to have engaged in a method, act, or practice declared unlawful under this section; provided, however, a course of conduct shall not be considered to be separate and different violations merely because the conduct is repeated to more than one person. ...

17. Iowa Code § 126.2 of the Iowa Drug, Device, and Cosmetic Act ("Drug, Device, and Cosmetic Act") provides the following pertinent definitions, among others:

- a. "Drug" means an article recognized as a drug in the official United States Pharmacopoeia National Formulary, official Homeopathic Pharmacopoeia of the United States, or any supplement to either document. Iowa Code § 126.2(8)(a).
- b. "Drug" means an article, other than food, intended to affect the structure or any function of the body of a human. Iowa Code § 126.2(8)(c).
- c. "Drug" means an article intended for use as a component of any articles specified in paragraphs "a", "b", or "c" of Iowa Code § 126.2(8). Iowa Code § 126.2(8)(d).

- d. "New Drug" means any drug, the composition of which is such that the drug is not generally recognized among experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs, as safe and effective for use under the conditions prescribed, recommended, or suggested in its labeling, except that a drug not so recognized is not a new drug if at any time prior to the enactment of this chapter it was subject to the federal Act, and if at that time its labeling contained the same representations concerning the conditions of its use." Iowa Code § 126.2(15)(a).

18. Iowa Code § 126.2A, of the Drugs, Devices and Cosmetic Act provides in pertinent part:

The provisions of this chapter regarding the selling of drugs, devices, or cosmetics are applicable to the manufacture, production, processing, packaging, exposure, offer, possession, and holding of any such article for sale; and the sale, dispensing, and giving of any such article, and the supplying or applying of any such article, in the conduct of any drug, device, or cosmetic establishment.

19. Iowa Code § 126.3, of the Drugs, Devices and Cosmetic Act states that the following acts, and the causing of such acts within Iowa, are unlawful:

- a. The introduction or delivery for introduction into commerce of any drug, device, or cosmetic that is adulterated or misbranded. Iowa Code § 126.3(1).
- b. The adulteration or misbranding of any drug, device, or cosmetic in commerce. Iowa Code § 126.3(2).
- c. The receipt in commerce of a drug, device, or cosmetic that is adulterated or misbranded, and the delivery or proffered delivery thereof for pay or otherwise. Iowa Code § 126.3(3).
- d. The introduction or delivery for introduction into commerce of a drug, device, or cosmetic in violation of section 126.12. Iowa Code § 126.3(4).
- e. The dissemination of any false advertising. Iowa Code § 126.3(5).

20. Iowa Code § 126.12(1) of the Drugs, Devices and Cosmetic Act provides in pertinent part that a person shall not sell, deliver, offer for sale, hold for sale, or give away a "new drug" unless both of the following apply:

- a. An application with respect to the new drug has been approved and the approval has not been withdrawn under section 505 of the federal Act.
- b. A copy of the letter of approval or approvability issued by the United States food and drug administration is on file with the secretary of the board, if the product is manufactured in this state.

21. In describing remedies under the Drugs, Devices and Cosmetic Act, Iowa Code § 126.5(5) provides in pertinent part: "A violation of this chapter is a violation of section 714.16, subsection 2, paragraph 'a'."

INJUNCTIONS

22. It is in the public interest that both preliminary and permanent injunctive relief be issued herein to prohibit the Defendants from continuing the practices alleged as unlawful herein or doing any acts in furtherance of those practices; and to protect the people of the State of Iowa from any further losses or physical injury arising from any similar conduct by Defendants in Iowa in the future.

23. The State's petition for injunctive relief has not been presented to, or denied by, any other judge of the district court.

24. Iowa R. Civ. P. 1.207 provides that no security is required if the State is seeking injunctive relief.

FACTUAL ALLEGATIONS

Background

25. Defendants are engaged in the business of offering for sale and selling petroleum products, groceries, and other merchandise to Iowa consumers.

26. Among other forms of merchandise, Defendants offer for sale and sell synthetic substances to the public which are generally advertised using words such as "potpourri", "bath salts"

or "incense"; but which are actually sold to consumers for the purpose of ingestion, inhalation or injection for mind altering purposes such as stimulation, sedation, hallucination or euphoria.

27. Defendants offer for sale and sell these synthetic substances to consumers for the purpose of ingestion, inhalation or injection but fail to disclose the specific contents to consumers or to inform the consumers that the ingestion, inhalation or injection of the contents may cause serious adverse health effects such as agitation, rapid heart beat, hallucinations, seizures, extreme paranoia, panic, vomiting, mood swings, suicidal or homicidal thoughts, or even death.

28. While the outside of some of the packages state that the contents are not intended for human consumption or otherwise indicate that they are not safe for introduction into the human body, Defendants offer for sale and sell these synthetic substances to consumers for the purpose of ingestion, inhalation or injection.

29. While the outside of some of the packages state that the contents are not intended for human consumption or otherwise indicate that they are not safe for introduction into the human body, Defendants either directly or by implication represent to consumers that the synthetic substances are legal and safe for ingestion, inhalation or injection.

30. On or about November 28, 2012, an undercover officer with the Des Moines Police Department entered the "Shop N Save" located at 4685 NW 2nd Street and purchased a package of synthetic substance labeled as "7H" from Defendant Kaur.

31. At the time of the purchase, the undercover officer asked Defendant Kaur for a means to inhale the contents of the package and she supplied him with a glass smoking pipe that had a bubble on one end and a hole on the other.

32. At the time of the sale, Defendant Kaur sold the merchandise under the belief that the buyer was purchasing the merchandise for the purpose of inhaling the contents for the purpose of altering the structure or function of the body.

33. As soon as the sale was completed, other officers of the Des Moines Police Department entered the store and executed a consent search on the premises.

34. During the consent search, Defendant Kaur was informed that some of Defendants' customers were becoming ill after using the synthetic substances and she produced a laboratory report which she maintained meant that the synthetic substances being sold by Defendants were legal.

35. When the police officers requested merchandise similar to the 7H purchased by the undercover officer, Defendant Kaur directed them to approximately 960 additional packages of synthetic substances labeled with such names as, "Scooby Snax", "OMG", "Stardust", "7H", "Kush" and "Caution".

36. Scooby Snax (Exhibits 1 and 2) - The packages branded as "Scooby Snax" contained the following images and words:

- a. The background for the front of the package showed colors such as pink, lime green, purple, violet and others - with the colors spread across the whole package in a psychedelic tie-dye style.
- b. The words "SCOOBY SNAX POTPOURRI" were printed across the top of the package in large letters.
- c. The center of the front side of the package bore the image of the Hanna-Barbera cartoon character "Scooby-Doo" with his eyes crossed in a dazed fashion and his tongue hanging sideways from his mouth.
- d. Some of the packages also bore a small round label with the picture of a green plant leaf in the middle and the word "Kush" in the middle of the label.⁵
- e. The bottom of the front side of the package was labeled "SCOOBY SNAX 4G" or "SCOOBY SNAX 10G" depending on the size of the package.

⁵ The organic "Kush" is a plant of the Cannabis Indica family which originated in the Hindu-Kush mountains, although there are now hybrid versions that have been crossbred with other members of the Cannabis family.

- f. The background for the back of the package showed colors such as pink, lime green, purple, violet and others; all of which were spread across the back in a psychedelic tie-dye style with the image of Scooby-Doo printed over two thirds of the back.
- g. The coloring, format and images on the back of the package greatly reduced the readability of the wording on the back of the package.
- h. The top of the back side of the package was labeled, "SCOOPY" in large letters.
- i. The second line on the back stated "Potpourri product" in small print.
- j. The third line on the back stated, "NOT FOR HUMAN CONSUMPTION".
- k. The package then carried a paragraph which read:

DISCLAIMER: This product has been certified by laboratory analysis and does not contain JWH-018, 073, CP47, 497, HU-210 or any other chemical and/or ingredients prohibited by state or federal law. The product is designed specifically for aromatic potpourri use and is not meant to be burned, smoked, or incinerated in any manner. It should be kept out of the reach of children. The manufacturer, wholesaler, and/or retailer are not responsible for any misuse of this product by the consumer.

- l. The next line stated, "Must be 18 or older to purchase."
- m. The following line stated: "KEEP OUT OF REACH OF CHILDREN".
- n. The package then provided a website at, "www.potpourriandincense.com" with a bar code below it and the final phrase "Scooby Snax" followed by either "10g" or "4g" depending on the size of the package.
- o. Twelve samples of the "Scooby Snax" packages seized from Defendants were tested by the Iowa DCI Criminalistics Laboratory and nine of them contained plant material coated with varying amounts and mixtures of the synthetic cannabinoids UR-144 and XLR11.
- p. The net weight of the six packages marked "4G" ranged from 3.53 grams up to 4.05 grams per package, with five of the six tested packages containing less than 4.00 grams of material.
- q. The net weight of the six packages marked "10G" ranged from 6.53 grams up to 8.32 grams per package, with none of the tested packages containing 10.00 grams of material as labeled.

37. OMG (Exhibit 3) - The packages branded as "OMG" contained the following images and words:

- a. The background coloring of the package showed a psychedelic whirl of pink, blue, yellow, blue and green.
- b. The center of the front of the package was dominated by the image of the cartoon character "Dokey" from the Walt Disney animated movie "Snow White". This image was drawn with large red eyes and a penguin on his right sleeve.⁶
- c. The brand name "OMG" was printed vertically from top to bottom down the left side of the front of the package. The letter "O" in "OMG" was made from a yellow smiley face using the letter "x" for the eyes and the words "Mr. Nice Guy" across the top of the smiley face.
- d. On the right side of the front of the package, the words "NEXT GENERATION HERBAL P@TP@URRI" were printed with red-eyed smiley faces inserted whenever the letter "O" belonged in a word.
- e. The next line contained a yellow circle with "4g" in the circle.
- f. The words "Does not contain AM 2201 or any DEA Banned Substance" were printed across the bottom in small black letters that were barely discernable to the unaided eye.
- g. The top of the back of the package contained a yellow smiley face using the letter "x" for the eyes and the words "Mr. Nice Guy" across the top of the smiley face.
- h. The next line read: "NOT FOR HUMAN CONSUMPTION" in yellow letters.
- i. The following line stated: "OMG IS SOLD AS POTPOURRI. STROKE THE FURRY BAG."⁷

⁶ In the 1990's, a strain of LSD sold in the United Kingdom used the marketing image of a penguin from the publisher "Penguin Books" as its logo.

⁷ "Stroke the Furry Bag" appears to be a reference to the phrase, "Stroke the furry wall" from the 2010 movie, "Get Him to the Greek". In the movie, actor Russell Brand gives this advice to a panicking Jonah Hill after Hill inhales smoke from a joint containing a cocktail of drugs and believes that he is having a heart attack.

See: <http://www.youtube.com/watch?v=OcM6PgX-Oc8> (Note: Some language in the scene may be objectionable to some viewers.)

- j. A paragraph followed in which small, white, lettering stated:

THIS POTPOURRI DOES NOT CONTAIN AM 2201, JWH-081,
JWH-019, JWH-018, JWH-073, HU-211, JWH-015, JWH-200,
JWH-250, HU-210, CP47, 497 ALONG WITH STIMULANT BZP
AND TFMPP
- k. The line below the paragraph stated in red letters: "NOT FOR CONSUMPTION. NOT FDA APPROVED."
- l. A bar code and a QR code were in the next space followed by the words: "SCAN THIS TO REGISTER FOR FREE PRODUCT GIVEAWAYS WWW.MR-NICE-GUY.COM".
- m. Three samples of the "OMG" packages seized from Defendants were tested by the Iowa DCI Criminalistics Laboratory and all three of them contained plant material coated with varying amounts of the synthetic cannabinoid XLR11.
- n. The net weight of the three packages, all of which were marked "4g", ranged from 2.67 grams up to 4.13 grams per package.

38. Stardust (Exhibit 4) - The packages branded as "Stardust" contained the following images and words:

- a. The background color of the package was glossy black with a mixture of brightly colored stars and smiley-faces scattered down the left side and across the bottom.
- b. The word "stardust" was printed across the top of the front of the package in large white letters with the words "advanced metal polish" printed below in smaller white letters.
- c. The following paragraph stated:

Best for copper/silver.
1. Add 1/4 of the package to 1 oz of water.
2. Apply to copper/silver.
3. Wipe to dry.
- d. The lower right hand corner of the front of the package contained a white star with the phrase "500 mg" within.
- e. The background color of the back side of the package was glossy black with a mixture of brightly colored stars and smiley-faces scattered down the left side and across the bottom.

- f. The word "stardust" was printed across the top of the back of the package in large white letters.
- g. A paragraph followed which stated in small white letters:

Do not leave product unattended.
Keep out of reach (sic) children and pets.
After use wash your hands with water and soap.
In case product touches any of followings: (sic) eyes, lips, mouth, nose -
contact doctor immediately.
- h. The final paragraph stated:

Not for human consumption
Not for sale to person under 18
Not for sale to minors
Compliant with all Local, State and Federal Laws
- i. One sample of the "Stardust" packages seized from Defendants was tested by the Iowa DCI Criminalistics Laboratory and it contained a mixture of off-white powder and chunks possessing a blend of the synthetic cannabinoids UR-144 and XLR11 as well as the synthetic cathinone pentedrone; all of which were present in varying amounts.
- j. The packaged was marked as "500 mg" (0.5 grams) but the actual net weight of the package was 0.43 grams.

39. 7H (Exhibit 5) - The packages branded as "7H"⁸ contained the following images

and words:

- a. The front side of the package showed the large letters "7H" placed within a large circle in the center of the package with smaller but otherwise identical circles spaced all around the outside border of the packet.
- b. The top half of the back side of the package was covered with the brand "7H" in large red and white letters.
- c. The following paragraph was printed over the letters "7H":

Potpourri does not contain any of the following: JHW-018,
JWH-073, HU-210, HU-211, CP-47, 497.

⁸ While there is no elaboration on the packaging, it is very likely that "7H" stands for "seventh heaven" which is defined as "a condition of perfect happiness". Webster's New World College Dictionary, 1229 (3rd ed.1988)

It's legal in 50 States.
100% Legal.

- d. The print size in the final paragraph was much smaller and stated:

This product is intended to be used as an aromatic potpourri only.

It is not designed or intended for human consumption.

Both the manufacturers and the retailers of this product take no responsibility for the incorrect or misuse of this product.

- e. Four samples of the "7H" packages seized from Defendants were tested by the Iowa DCI Criminalistics Laboratory and all four of them contained plant material coated with varying mixtures and amounts of the synthetic cannabinoids UR-144 and XLR11.
- f. None of the packages contained a statement of the quantity of the contents of the packages.

40. Kush⁹ (Exhibit 6) - The packages branded as "KUSH" contained the following images and words:

- a. The package was colored glossy black with swirls of blue and white smoke in the background.
- b. The word "KUSH" was printed across the front in large red letters with the words "herbal incense" in smaller red letters directly beneath.
- c. The number "2.5g" was printed in the lower right hand corner.
- d. The following statements were printed on the back of the package in white lettering.

Main Ingredients: Mullein Leaf, Hops, Lemon Balm, Indian Leaf, Passion Flower, Wild Lettuce.

For Incense Purposes Only!

Not Intended For Human Consumption!

Must be 18 years of age or older to purchase

⁹ As noted in Footnote 5, the organic "Kush" is a plant of the Cannabis Indica family which originated in the Hindu-Kush mountains, although there are now hybrid versions that have been crossbred with other members of the Cannabis family.

- e. The paragraph was followed by a bar code.
- f. Three samples of the "Kush" packages seized from Defendants were tested by the Iowa DCI Criminalistics Laboratory and all three of them contained plant material coated with varying amounts of the synthetic cannabinoid XLR11.
- g. The net weight of the three tested packages, all of which were marked "2.5g", ranged from 1.43 grams up to 1.60 grams per package with none of them containing 2.5 grams as labeled.

41. Caution (Exhibit 7) - The packages branded as "Caution" contained the following images and words:

- a. The package background was colored bright yellow.
- b. A black rectangle ran across the top containing the word "CAUTION" in bright yellow letters.
- c. The next line stated "Super Strong Incense" in large black letters.
- d. The following line asked, "You think you can handle it?"
- e. A large orange and black biohazard sign was centered in the package taking up approximately one third of the package.
- f. A paragraph followed in which very small lettering stated:

For aromatherapy only.
Burn in well-ventilated area.
Manufactures and retailers of this product take no
responsibility for the incorrect use or misuse of this
product.

- g. The words "3 gram" were spelled out in larger lettering in the lower right corner.
- h. The package background on the back was colored bright yellow with a black rectangle across the top containing the word "CAUTION" in bright yellow letters.
- i. A paragraph followed which read as follows:

FOR FRAGRANCE PURPOSES ONLY.
NOT FOR HUMAN CONSUMPTION.
KEEP OUT OF REACH OF CHILDREN AND PETS.
NEVER LEAVE BURNING INCENSE UNATTENDED

AND MAKE SURE ALL ASHES FALL IN ASHTRAYS
OR BURNERS
SMOKE INHALATION MAY CAUSE LIGHT-
HEADEDNESS AND BE HARMFUL TO YOUR
HEALTH
BURN IN A WELL-VENTILATED AREA

- j. The bottom of the package contained a rectangular yellow box containing the phrase:

TESTED AND CERTIFIED BY: TOXICOLOGY
ASSOCIATED INC DOES NOT CONTAIN JWH-018,
JWH-073, JWH-133, JWH-200, JWH-210, HU-210, HU-
211, CP47, 497 2, WIN 55, 212-2

- k. Three samples of the "Caution" packages seized from Defendants were tested by the Iowa DCI Criminalistics Laboratory and all three of them contained plant material coated with varying amounts of the synthetic cannabinoid XLR11.
- l. The net weight of the three packages, all of which were marked "3 gram", ranged from 3.49 grams up to 4.41 grams per package.

42. Every package seized by the Des Moines Police Department, as well as every other package of synthetic substance that Defendants held for sale, offered for sale or sold to consumers, was held, intended to be offered, offered, or sold to consumers with the knowledge that the consumers would ingest, inhale or inject the merchandise for mind altering purposes such as stimulation, sedation, hallucination or euphoria.

43. None of the packages purchased or seized from Defendants by the Des Moines Police Department contained information such as the business address and name of the manufacturer, packer or distributor.

44. None of the packages purchased or seized from Defendants by the Des Moines Police Department bore labels containing adequate directions for use in the manner for which they were being held, offered for sale or sold.

45. None of the packages purchased or seized from Defendants by the Des Moines Police Department and analyzed by Iowa DCI Criminalistics Laboratory contained an accurate statement of the quantity of the contents of the packages in terms of weight, measure, or numerical count.

46. Although Defendants possessed the packages for the purpose of offering them for sale, or selling them to consumers, none of the packages were displayed in plain view so that a casual observer or potential purchaser could see them.

47. The Defendants did not maintain a record of consumers that purchased these synthetic substances from the Defendants and thus the consumers that purchased synthetic substances from Defendants cannot be located by the Defendants or the State through reasonable efforts.

48. On information and belief, Defendants have on numerous occasions participated in practices similar to those alleged in paragraphs 1 through 12 and 25 through 47.

CAUSES OF ACTION

Count I

Violations of Iowa Drugs, Devices and Cosmetics Act - Iowa Code Chapter 126

49. The State incorporates by this reference all allegations set forth in Paragraphs 1 through 48.

50. The packages of synthetic substances purchased and seized by the Des Moines Police Department were held, offered for sale or sold by Defendants for the purpose of affecting the structure or functions of the human body; and are thus a "drug" as defined by Iowa Code § 126.2(8)(c) and (d).

51. The packages of synthetic substances purchased and seized by the Des Moines Police Department each contained a drug, the composition of which was such that the drug was not generally recognized by qualified experts as safe and effective for use under the conditions prescribed by the Defendants, recommended by the Defendants, or suggested in its labeling; and

were thus a "new drug" as defined by Iowa Code § 126.2(8)(a).

52. The packages purchased or seized from Defendants by the Des Moines Police Department did not display all, or in some cases any, of the information required Iowa Code Chapter 126 such as the business address and the name of the manufacturer, packer or distributor; and were thus "misbranded" pursuant to Iowa Code § 126.10(1)(b)(1)(a).

53. The packages purchased or seized from Defendants by the Des Moines Police Department did not provide an accurate statement of the quantity of the contents of the packages in terms of weight, measure, or numerical count; and were thus "misbranded" pursuant to Iowa Code § 126.10(1)(b)(1)(b).

54. When the labeling on the packages purchased or seized from Defendants by the Des Moines Police Department did contain any of the information required by Iowa Code Chapter 126, the required language was not prominently placed thereon with such conspicuousness as compared with other words, statements, designs, or devices in the labeling; and/or the required language was not expressed in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use; and thus the packages were "misbranded" pursuant to Iowa Code § 126.10(1)(b)(1)(c).

55. The packages purchased or seized from Defendants by the Des Moines Police Department did not provide adequate directions for consumers to use the merchandise as a drug, which was the purpose for which Defendants held, offered for sale, intended to be offered for sale, or sold the merchandise; and were thus "misbranded" pursuant to Iowa Code § 126.10(1)(f)(1)(a).

56. Some of the packages purchased or seized from Defendants by the Des Moines Police Department did not provide adequate warnings against use in those pathological conditions, or by children, where the use of the synthetic substances might be dangerous to health; nor did they provide adequate warning against unsafe dosage or methods or durations of administration or

application, in the manner and form necessary for the protection of users; and were thus “misbranded” pursuant to Iowa Code § 126.10(1)(f)(1)(b).

57. Many of the packages and contents purchased or seized from Defendants by the Des Moines Police Department were made, formed, or filled as to be misleading; and were thus “misbranded” pursuant to Iowa Code § 126.10(1)(i)(1).

58. Many of the packages and contents purchased or seized from Defendants by the Des Moines Police Department were an imitation of another drug; and were thus “misbranded” pursuant to Iowa Code § 126.10(1)(i)(2).

59. Many of the packages and contents purchased or seized from Defendants by the Des Moines Police Department were offered for sale under the name of another drug; and were thus “misbranded” pursuant to Iowa Code § 126.10(1)(i)(3).

60. The packages purchased or seized from Defendants by the Des Moines Police Department contained a drug, the composition of which was such that the drug was not generally recognized by qualified experts as safe and effective for use under the conditions prescribed, recommended by the Defendants, or suggested in the labeling; and were thus a “New Drug” pursuant to Iowa Code § 126.2(15)(a).

61. Defendants sold, delivered, offered for sale, held for sale, or gave away a new drug when no application with respect to the new drug was approved under section 505 of the federal Act. Iowa Code § 126.12(1).

Count II

Violations of Iowa Consumer Fraud Act - Iowa Code § 714.16

62. The State incorporates by this reference all allegations set forth in Paragraphs 1 through 48.

63. Pursuant to Iowa Code § 126.5(5), each of Defendants' violations listed in Count I

constitute a violation of Iowa Code § 714.16(2)(a).

64. Defendants acted, used or employed unfair practice, deception, fraud, false pretense, false promise, misrepresentation and/or concealment, suppression, or omission of material facts with the intent that consumers rely on the concealment, suppression or omissions, in violation of Iowa Code § 714.16(2)(a), in a manner including, but not limited to:

- a. Offering for sale or selling any synthetic substances to consumers for the purpose of ingestion, injection, inhalation or any other means of introduction into the human body and, either directly or by implication, leading consumers to falsely believe that the ingestion or inhalation of the synthetic substances was safe when Defendants knew, or should reasonably have known, that the consumers intended to ingest or inhale them.
- b. Offering for sale or selling synthetic substances to consumers for the purpose of ingestion, injection, inhalation or any other means of introduction into the human body but failing to disclose the ingredients of the synthetic substances to consumers with enough specificity so that consumers could make an informed decision as to the use of the merchandise and/or adequately inform an emergency medical worker of the ingredients should the consumers have an adverse reaction to the merchandise.
- c. Offering for sale or selling synthetic substances to consumers for the purpose of ingestion, injection, inhalation or any other means of introduction into the human body when the package or label contained words and/or images which stated, implied or otherwise indicated that the package contained substances other than the synthetic substance or possessed attributes of a substance other than the synthetic substance actually contained in the package.
- d. Offering for sale or selling synthetic substances for ingestion or inhalation even though the packages for the synthetic substances stated that the merchandise was not to be consumed by humans.
- e. Offering for sale or selling merchandise which, when used in the manner anticipated by Defendants, was dangerous to the health and safety of the consumers.
- f. Encouraging the dangerous misuse of the merchandise offered for sale or sold by the Defendants by advising consumers as to the means to misuse the merchandise and/or offering for sale or selling the accessories involved in the ingestion or inhalation of the synthetic substances.

REQUEST FOR RELIEF

65. The State respectfully requests that the Court order relief against Defendants Sarbpreet Singh, Sandeep Kaur and 3S Venture, LLC, as follows:

A. Temporary Injunction: That the Court, pursuant to Iowa Rule Civ. P. 1.1502(3) and Iowa Code § 714.16(7), upon such notice and hearing as the Court deems reasonably required and after hearing on the merits, issue a temporary injunction prohibiting Defendants and their attorneys, partners, officers, employees, agents, successors and all other persons, corporations and other entities acting in concert or participating with Defendants who have actual or constructive notice of the Court's injunctions, from engaging in the violations of law alleged herein or from otherwise violating the Iowa Consumer Fraud Act or the Iowa Drug, Device and Cosmetics Act.

B. Permanent Injunction: That the Court, pursuant to Iowa Code § 714.16(7) and after trial on the merits, issue a permanent injunction making permanent the above-described injunctions, expanding their provisions as necessary by including *inter alia* such fencing in provisions as are reasonably necessary to ensure that the Defendants and other enjoined persons and entities do not return to the unlawful practices alleged herein, or commit comparable violations of the law.

C. Consumer Reimbursement: That the Court, pursuant to Iowa Code § 714.16(7), enter joint and several judgment against Defendants for amounts necessary to restore any money to consumers whom the Court deems to be entitled to reimbursement as a result of Defendants' unlawful acts or practices.

D. Disgorgement: That the Court, pursuant to Iowa Code § 714.16(7), enter joint and several judgment against Defendants for such additional funds as are necessary to ensure complete disgorgement of all ill-gotten gains traceable to the unlawful practices alleged herein.

E. Civil Penalties: That the Court, pursuant to Iowa Code § 714.16(7), enter judgment against each Defendant for civil penalties to the State in an amount not to exceed \$40,000.00 per violation.

F. Costs: That the Court, pursuant to Iowa Code § 714.16(11), enter judgment against Defendants for costs including, but not limited to, reasonable attorney fees, court costs and investigative costs incurred in this action.

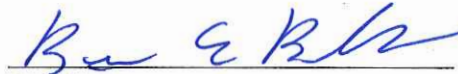
G. Interest: That the Court award the State interest as permitted by law.

H. That the court retain jurisdiction as necessary to ensure full compliance with the Court's rulings.

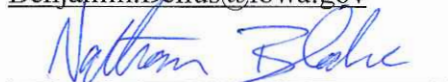
I. That the Court grant any further relief as the Court deems just and equitable.

Respectfully submitted,

THOMAS J. MILLER
Attorney General of Iowa

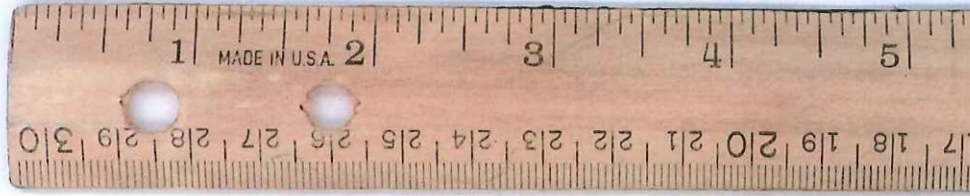
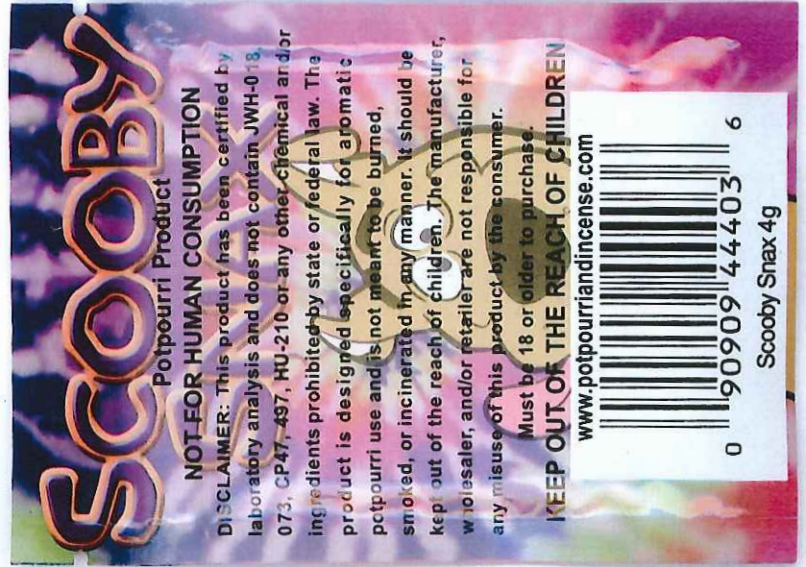


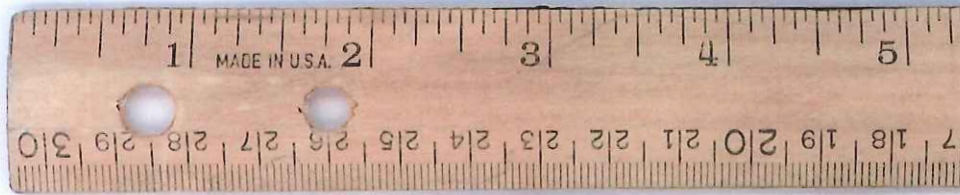
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ATTORNEYS FOR THE STATE





SCOOBY

Potpourri Product


NOT FOR HUMAN CONSUMPTION

DISCLAIMER: This product has been certified by laboratory analysis and does not contain JWH-018, 073, CP47, 497, HU-210 or any other chemical and/or ingredients prohibited by state or federal law. The product is designed specifically for aromatic potpourri use and is not meant to be burned, smoked, or incinerated in any manner. It should be kept out of the reach of children. The manufacturer, wholesaler, and/or retailer are not responsible for any misuse of this product by the consumer.

MUST BE 18 OR OLDER TO PURCHASE.

KEEP OUT OF THE REACH OF CHILDREN

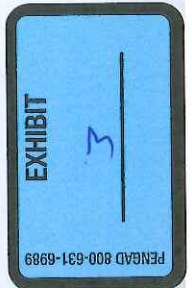
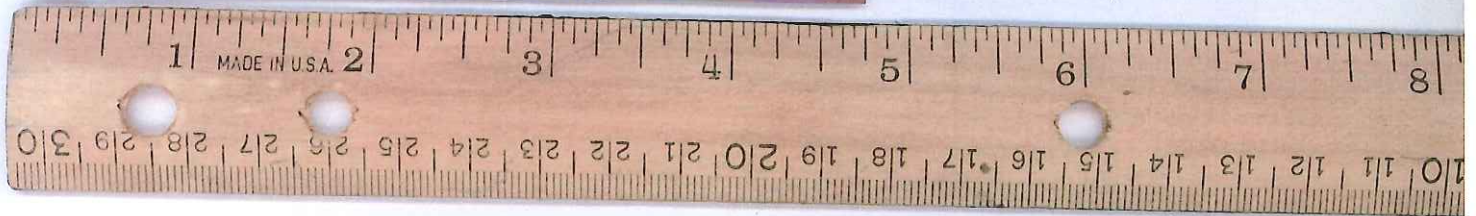
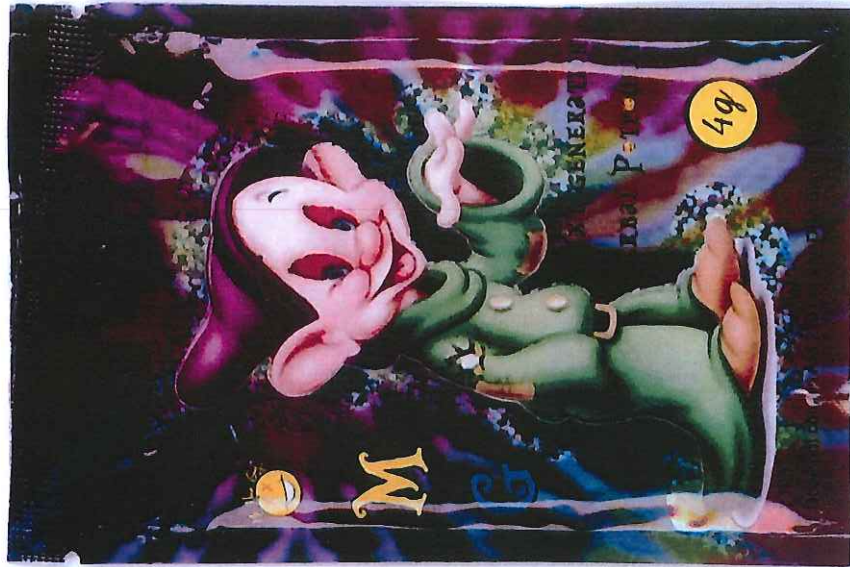
www.potpourriandincense.com



0 90909 44405 0

Scoby Snax 10g

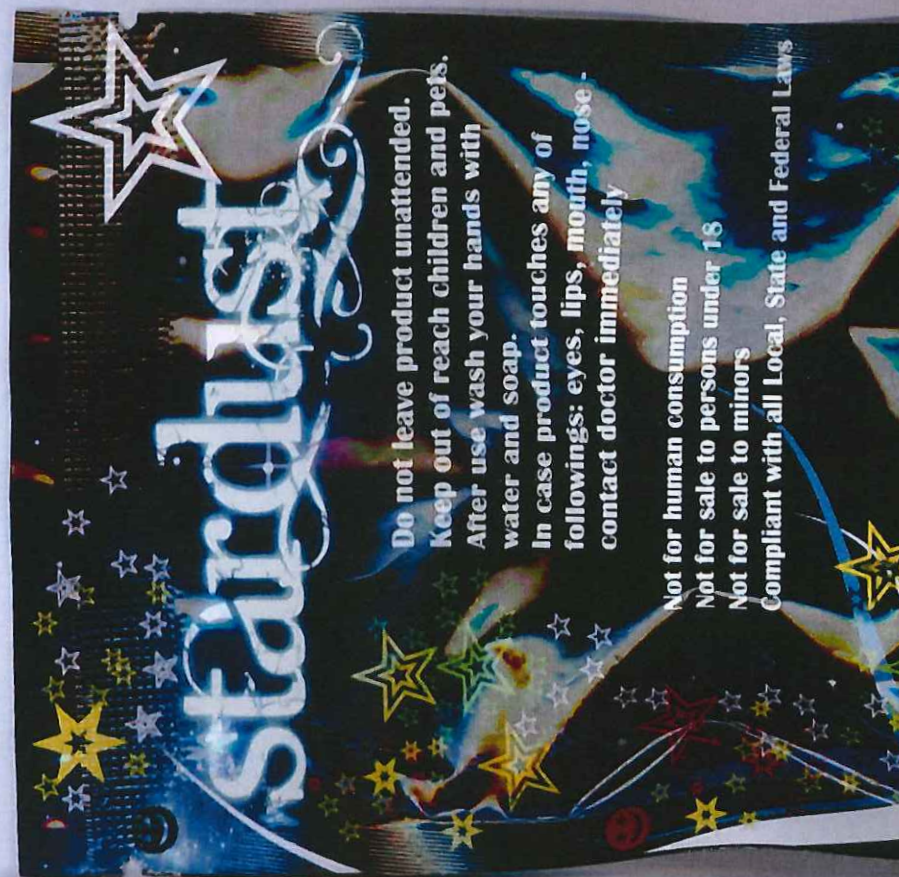






advanced me

- Best for
1. Add 1/4 to 1 oz of w
 2. Apply to
 3. Wipe to c



Do not leave product unattended.
Keep out of reach children and pets.
After use wash your hands with
water and soap.
In case product touches any of
followings: eyes, lips, mouth, nose -
contact doctor immediately

Not for human consumption
Not for sale to persons under 18
Not for sale to minors
Compliant with all Local, State and Federal Laws



Potpourri does not contain
any of the following:

JWH-018, JWH-073, HU-210,

HU-211, CP-47, 497

It's Legal in 50 States

100% Legal

This product is intended to be used as an aromatic potpourri only.
It is not designed or intended for human consumption.
Both the manufacturers and retailers of this product take
no responsibility for the incorrect use or misuse of this product.

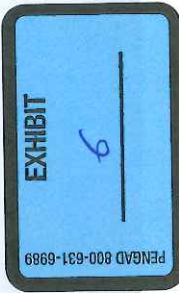
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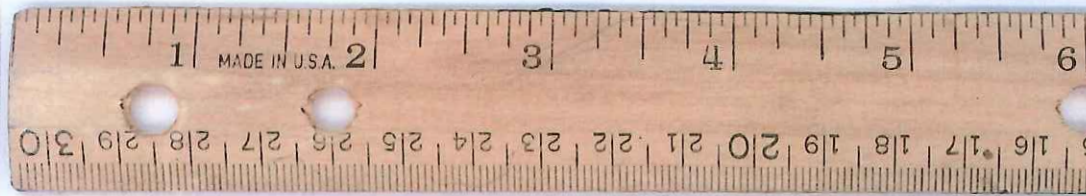
MADE IN U.S.A.

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3

4





CAUTION

FOR FRAGRANCE PURPOSES ONLY.
NOT FOR HUMAN CONSUMPTION.

KEEP OUT OF REACH OF CHILDREN AND PETS.
NEVER LEAVE BURNING INCENSE UNATTENDED
AND MAKE SURE ALL ASHES FALL IN ASHTRAYS
OR BURNERS

SMOKE INHALATION MAY CAUSE
LIGHT-HEADEDNESS AND BE HARMFUL
TO YOUR HEALTH

BURN IN A WELL-VENTILATED AREA

TESTED AND CERTIFIED BY:
TOXICOLOGY ASSOCIATED INC
DOES NOT CONTAIN

JWH-018, JWH-073, JWH-133, JWH-200, JWH-210,
HU-210, HU-211, CP47, 497 2, WIN 55, 212-2

CAUTION

Super Stro



For aromatherapy only.
Burn in a well-ventilated
area.
Not for human consumption.
Manufacturers and retailers of
this product take no responsibility
for incorrect use or misuse of this
product.